

8 JUL
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MEMORANDUM FOR THE RECORD

SUBJECT: Increased Psychiatric Benefits Under the GEHA
 Health Plan

STAT 1. On Wednesday, 3 July 1963, [redacted] and I met with Messrs. Jones and Premo of Mutual of Omaha. We discussed with them their proposal to remove the 50-visits-per-year limitation on outpatient psychiatric care for an increased premium of 5¢ per month for the single plan and 10¢ per month for the family plan. In reviewing the financial status of the Association Plan we noted that we are substantially in the black. We also noted that the 5¢ and 10¢ premium increase would gross the underwriter about \$12,000 per year. Because the reserve is presently much greater than that amount, I proposed to Mr. Jones that Mutual of Omaha provide the increased benefit without an increase in premium for the year beginning 1 November 1963. Mr. Jones immediately agreed that such a proposal was fair. After having checked the home office of Mutual of Omaha we were informed on 8 July 1963 that Mutual of Omaha is willing to provide the increased benefit without an increase in premium.

STAT 2. I telephoned the Civil Service Commission to report this agreement to Mr. Andrew Ruddock. Since Mr. Ruddock was on annual leave until 16 July 1963, I spoke with Mr. Kator of the Commission and told him of my earlier conversations with Mr. Ruddock and the later conversations with the underwriter. Mr. Kator said that he felt sure the Commission would make the change in the Association's contract with Mutual of Omaha, as a consequence of its review of the contract prior to the open period scheduled for this fall. He asked that we not write any papers on the subject at this time and that he would discuss the change with members of his office and with [redacted] and Premo when they go over with him the Association Benefit Plan booklet which we will print for the open period.

STAT [redacted]
 Chief, Benefits and Services Division

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